GOVERNMENT OF INDIA
CORPORATE AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:3755
ANSWERED ON:24.03.2017
Sweat Equity for Start-ups
Khuba Shri Bhagwanth

Will the Minister of CORPORATE AFFAIRS be pleased to state:

(a) whether the Government intends to enforce the proposal of increasing the limit on sweat equity for start-ups from 25 per cent to 50 per cent; and

(b) if so, the details thereof?

Answer

THE MINISTER OF STATE (SHRI ARJUN RAM MEGHWAL)
IN THE MINISTRY OF CORPORATE AFFAIRS (???? ?????? ??? ??????)
???????? ????? ???????? ??? ????? ??????

(a) to (b):- This Ministry vide notification GSR 704 (E) dated 19.07.2016 has amended Companies (Share Capital and Debentures) Rules, 2014 to allow a startup company as defined in notification GSR number 100 (E) dated 17.02.2016 issued by Department of Industrial Policy and Promotion, to issue sweat equity shares not exceeding fifty per cent of its paid up capital upto five years from the date of its incorporation or registration.
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